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16 MAY 1975

Executive Registry

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Problems and Prospects for the CIA and Its
Director

1. For the next several months, the House and Senate Select Committees will devote much time and attention to factfinding about alleged past indiscretions. However, the mandate of the Select Committees is far broader, allowing a searching inquiry into virtually every aspect of the Agency and the Community. Our feeling is that it will be some months before the two Committees determine what many of the real issues are, not to mention what their recommendations for dealing with those issues may be. The small team put together by Jim Schlesinger at OMB to study intelligence worked for over a year, with a staff which began the effort with considerable knowledge of the Intelligence Community, to develop its analysis of what was wrong and its recommendations for change. The Murphy Commission has also devoted considerable time to aspects of the problem. Can the members of the Select Committees and their staffs, some of whom are new to Government and many of whom are new to intelligence, accomplish this task more quickly, or more competently?

2. For an organization whose very lifeblood involves considering the intentions of others, we believe we have not yet taken the time necessary to consider formally and systematically how the Senate and House Select Committees may come to view us and what issues they may ultimately decide need resolution. Further, we think we have the time and the opportunity to consider ourselves the issues which should be addressed and what our views on them may be. At the least this would enable us to set forth, at an appropriate time, our best thinking and our recommendations for change where desirable. It is even possible that events will unfold in such a way as to allow us to seize the initiative in pointing one or both of the Select Committees towards the issues as we perceive them and our recommendations

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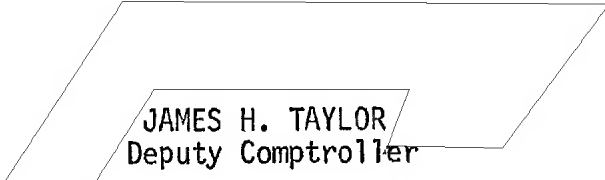
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for meeting them. This paper then represents an attempt to identify systematically the questions which will arise and to set forth some analysis of them. Much more remains to be done. Some of the discussion which follows is detailed and reflects considerable thinking over a long period of time by many people. In other cases we have been able to do little more than suggest areas for further consideration. If you agree after reading this that more attention to these issues is warranted, we have some thoughts on the way this process could best be organized and would like to discuss them with you. For purposes of analysis, we feel that the questions to be faced fall in four general categories:

- 1) Does CIA have effective internal controls over what it does and if not, how might these be strengthened?
- 2) Do the very broad authorities conferred upon the DCI continue to be desirable or essential?
- 3) What Community-wide responsibilities should the DCI have?
- 4) Congressional Relationships: What kind of congressional oversight can best meet our and the Congress' needs? What does this mean for our relationship with the Executive Branch? What kind of relationship ought to exist between the Legislative Branch and the Intelligence Community on substantive (production) matters?



JAMES H. TAYLOR
Deputy Comptroller

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Attachment:
Issues Papers

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No. 1--Does the CIA have effective internal controls over what it does, and if not, how might these be strengthened?

This is a highly complex question with many organizational, managerial, resource, and other policy implications. We are now, and have long been, a highly decentralized organization with heavy emphasis on giving operational components real authority to act within broad discretionary limits and policy approval. This approach over the years has contributed substantially to our flexibility and effectiveness. In the last three years, the abolition of the Executive Director position and its replacement by the Management Committee; changes which have been made in how the Comptroller carries out his responsibilities and in the financial controls he imposes; the post-audit concept; [redacted]

[redacted] and the general scaling back of the Inspector General's responsibilities have given additional effective authority to line managers and reduced central control.

This issue then requires reconsideration of the responsibilities and procedures of those Agency-wide offices or entities which might function to "balance" the authority given to line managers: the Management Committee, the Comptroller, the Audit Staff, the Inspector General, and the General Counsel. It may ultimately also involve reconsideration of the way approval authority has been delegated throughout the organization. The DCI must be able to respond to any allegation with confidence that he has knowledge of all relevant facts. The basic problem is to provide approval and review systems which guarantee that there can be no unpleasant surprises.

To facilitate analysis, the issue is appropriately separated into two parts: the first dealing with the adequacy of the policy and decision making function at the top of CIA (and involving the Management Committee and/or an Executive Director) as well as the Comptroller and the General Counsel; the second concerned with the adequacy of the process by which top management is assured that decisions reached are implemented in a responsible way, essentially involving the Inspector General and the Audit Staff but also the General Counsel and the Comptroller.

The policy and decision making function of this Agency are in general lodged in the DCI and the four deputy directors. The Management Committee however serves as a forum for consideration of certain Agency-wide or cross-directorate problems. The

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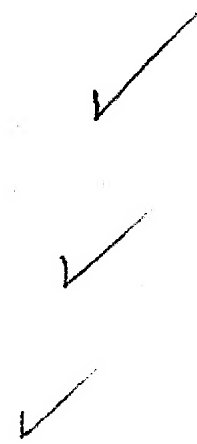
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Committee has great potential and some real strengths; it also has serious deficiencies as presently constituted. A principal problem is that there is no conscious process which forces certain kinds of problems onto the Committee's agenda; issues are (with important exceptions) raised for discussion in the Committee only at the discretion of its individual members. Partly because of this, many issues considered are not of great significance; and conversely, some significant issues are not considered at all. A second problem is that individual Committee members are responsible for implementation of decisions reached, which has sometimes meant that no one is responsible for implementation. Related to this, decisions reached by the Committee have too often not been effective decisions in that they took account of everyone's special problems, leaving participants unsure as to what precisely had been decided. Finally, we think that the authority of the Secretary of the Committee to crystalize issues is greatly reduced by his being formally only first among equals and that attention should be given to enhancing his charter.



The DCI has said that when he became Executive Director he discovered that the position really only constituted half a job. From one point of view, the position as then constituted can be considered no job at all. The Executive Director's function basically consisted of an administrative overview role more properly exercised by the DDA (and which was quickly returned to the DDA); and a comptrollership function which can be as effectively exercised by the Comptroller as by an Executive Director. When the Management Committee was created, the partially completed de facto parceling out of these responsibilities to the DDA and the Comptroller was in effect formalized. However, the precise question of what the Management Committee was to do was not systematically considered.



In an uncirculated paper prepared for the since-postponed February conference, we proposed consideration of a list of explicit functions for the Management Committee. Each of these functions was Agency-wide in character and each would involve some changes in the de facto authorities of the deputy directors, though none of the functions would appear, nor was intended, to infringe on the day-to-day direction of each directorate's program by the responsible managers. The functions included: responsibility for setting the ethical tone of the organization and dealing with policy questions about certain sensitive activities (developing a broad code of conduct for Agency employees, recommending standards by which to judge operations involving non-USG Americans, or considering policy recommendations with respect to classified contracts which

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require US corporations accepting business from us to deny their involvement with us, might be examples); participating actively in the overall resource management task as presented to the Committee by the Comptroller; insuring our continuing vitality by reviewing (not approving) the selection of personnel for senior management positions everywhere in the Agency; planning for the future, giving independent attention to evolving customer needs and future policy or resource constraints; and considering periodically and systematically the adequacy of our organizational arrangements to insure continuing reexamination of fundamental assumptions. No claim was made that the functions proposed were the best that could be developed for the Management Committee. Rather, we hoped to generate thoughtful debate about the Committee's functions and purposes, a subject which has yet to be explored both systematically and in depth.

If we could agree on a specific list of functions for the Management Committee, we think that the Committee's other problems are relatively easily solved. The questions of how to insure the flow of significant issues to the Committee for discussion and of responsibility for follow-through on recommendations and decisions, for example, could be facilitated by assigning to each Committee member responsibility for one of the Agency-wide functional areas decided upon, holding him responsible for developing agendas for discussion in his functional area on a periodic basis, perhaps through letters of instruction. This approach would serve to give each member of the Committee a specific Agency-wide functional assignment, tending over time to strengthen the functioning of the Committee as a body in which individuals see the whole organization and its problems.

We think that a Management Committee structured along these lines could effectively meet most of the criticisms now directed at it. Such a body could not only substitute effectively for the Executive Director role but would have major advantages over it, although not without cost. Another approach of course would be to reconstitute the position of the Executive Director, giving him the same or a similar list of functions. Or we could have both an Executive Director and a Management Committee, possibly with the Executive Director chairing the Committee. The critical issue would not seem to be whether we have a Management Committee or an Executive Director (or both), but rather whether we can agree on the specific functions to be exercised by one or both.

The second aspect of this issue concerns the adequacy of the process which guarantees that broad policy and resource decisions made at the top are responsibly carried out. We touched on this

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issue in the discussion above covering the Management Committee. Here, however, we are more directly concerned with the implementation of policy decisions made by deputy directors acting as deputies rather than as members of the Management Committee. Rockefeller Commission staffers appear to be grappling with recommendations in this area; the Select Committees can do no less. The issue has at least two aspects: how much central staff review of projected Agency activities ought to take place before line components are able to carry them out; second, how vigorous an audit process (in the largest sense of that word) should be maintained to review the implementation of decisions? This necessarily involves debate about the way the Comptroller and the various planning staffs carry out their task and about the adequacy of our Audit and IG functions.

The Comptroller and the directorate planning staffs are now the focus for most prior review of proposed activities or programs. We are confident that the process allows reasonably responsible decision making about resource levels. However, there is serious question as to whether this process generates an adequate independent look at what might be called the policy aspects of the program, i.e., the legality and/or the propriety of the proposed program in all its details. The existing system is vulnerable to the criticism that the approval authority for the policy is separate from the approval authority for the resources. Independent policy review, admittedly administratively cumbersome and somewhat subversive of the role of line management, does not now occur independently from line management. At issue would seem to be such questions as how much such prior review, if any, ought there to be; how would such review be carried out if thought to be needed; and who would be responsible? Perhaps a small, independent group with access to any and all information should be created to selectively examine high-risk activities, reporting independently to the Director. Several other possible approaches deserve critical discussion.

There is also the question of independent central review as programs are carried out, or after they are completed. The nature and adequacy of IG, Audit Staff, and General Counsel review of programs have been the subject of considerable discussion over the years. There are numerous models elsewhere and in our own past which suggest how our capabilities in these areas might be improved if a decision were to be reached that such an attempt should be made.

We may well be told by congressional investigators to strengthen management control in all three fields--prior policy and other review, implementation, and post-audit. We need to

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decide now and in some detail what we believe should be done. At the very least we should be prepared with proposals of our own to offer in preference to accepting whatever may be recommended by outsiders.

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No. 2--Do the very broad authorities conferred upon the DCI continue to be desirable or essential?

The investigation by legislative committees of alleged past CIA excesses should logically lead to consideration of whether the basic statute under which such activities were authorized should be "tightened up." There are three basic areas in which the Agency has been granted enormous discretion and authority. In each of these areas it should be useful to us to develop our own view as to how much of the authority presently granted is absolutely basic to our mission.

a) First, are the definitions of missions and functions set forth in the 1947 and 1949 Acts still appropriate in 1975 or is more specificity now required or desirable?

b) Second, is the broad authority for protection of sources and methods as set forth in the 1949 Act relevant today?

c) Third, what modifications in our financial authorities might be considered desirable?

Missions and Functions. The first question involves the continuing relevance and/or appropriateness of our missions and functions as set forth in the 1947 Act, primarily Section 102(d). The first three duties enumerated under Section 102(d) give the Agency the duty to provide advice to the NSC, to make recommendations to the NSC on the coordination of intelligence activities, and to correlate and evaluate intelligence. Possible changes in these three provisions are considered in the next issue dealing with the DCI's Community responsibilities. Our focus here is on provisions 4 and 5 which require the Agency:

"(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

Two issues arise: what authority for covert action activities is the USG to have; and to what extent could or should this authority, as well as those for other functions provided for here (clandestine, technical, and overt collection; research and

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development; information processing; communications; and support), be stated explicitly in law?

It seems obvious we should strive to continue to have legislation which allows covert action. If there are to be limitations on us in this area, it is much more desirable that they be imposed on us via the appropriations process or through means other than a proscription in our basic legislation. This would allow a future program in different circumstances to be undertaken without requiring a change in law. Unless, however, Congress intends to preclude any CIA covert action, it is doubtful that the law can or should be made more explicit with respect to our covert action charter than it now is. We could however at a minimum anticipate an effort to include in our law procedural language, perhaps drawing on the amendments to the Foreign Assistance Act, which would establish rules for consultation with Congress. A requirement for prior congressional approval of covert action projects is also a possibility, but the precise meaning of "congressional approval" will need to be carefully drawn.

Although our covert action charter--assuming it is continued--probably cannot be spelled out in greater detail in law, than it now is, it is less easy to make a case that some statement of our collection, research and development, processing, and support responsibilities could not be explicitly acknowledged in law. Thus, we can probably anticipate that the Select Committees may come to this conclusion, and we will need to give consideration to the degree of specificity which will be acceptable.

Sources and Methods. The second subissue raised--the question of our authority for the protection of sources and methods from unauthorized disclosure--has been extensively discussed over the years even in US courts and is generally regarded as fundamental to our ability to carry out our mission. In general, there seems little doubt that this is the case. Still we should ask ourselves whether the Select Committees might not conclude that this authority could or should somehow be limited to certain areas or activities, or that this broad authority might be more explicitly defined in law. The General Counsel has begun systematic consideration of the sources and methods provision and that effort should be extremely useful. We might consider whether we could develop language more clearly focusing the sources and methods phrase without unduly compromising our mission. If this proves possible, we can be reasonably certain that others will be able to develop similar language, and we will have in hand a specific proposal of our own.

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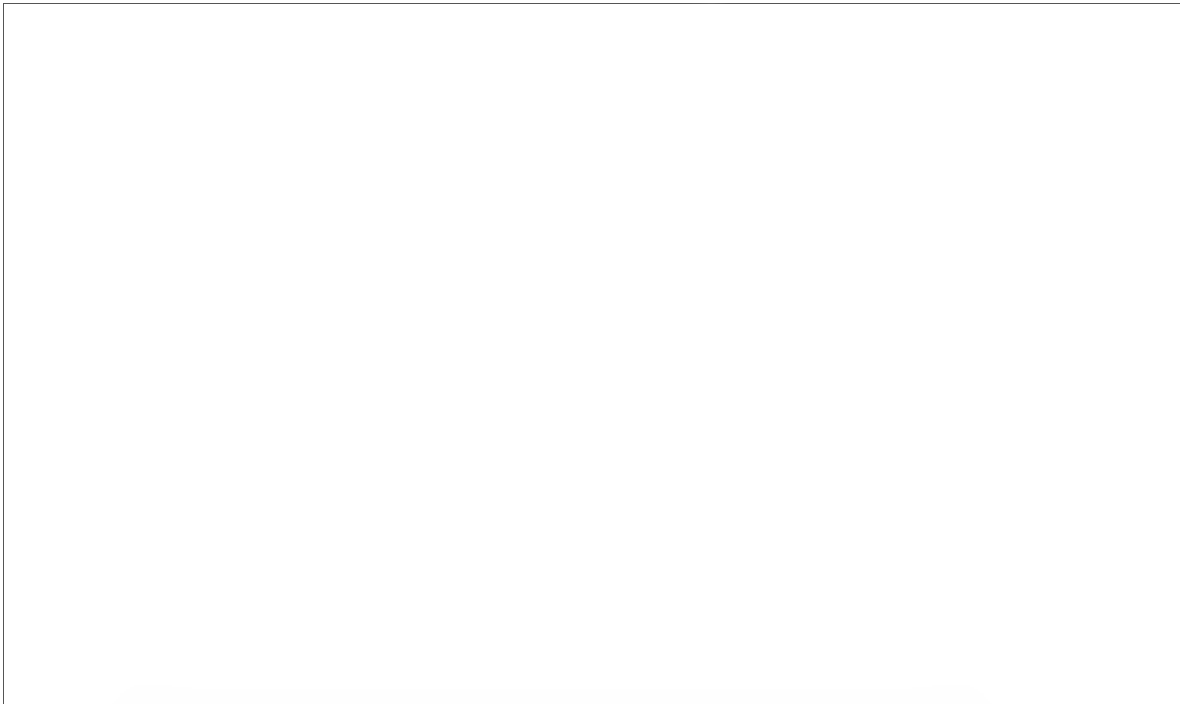
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Further discussion of each of these issues could throw additional light on them and improve our ability to respond intelligently to congressional initiative or to make proposals ourselves.

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No. 3--What Community-wide responsibilities should the DCI have?

The National Security Act of 1947 (Section 102(d)) provides that: "For the purpose of coordinating the intelligence activities of the several Government departments and agencies... it shall be the duty of the agency, under NSC direction," to (carry out the five functions outlined in the Act). Although the coordination responsibility this provision created is somewhat vague, it was for many years generally agreed that this provision of the Act was essentially concerned with the coordination of production. The very strong feeling after World War II that Pearl Harbor might have been averted if we had had better coordination of raw intelligence data seems to have been the underlying reason for the emphasis Congress placed upon the Agency's coordination role.

Until Mr. Schlesinger's November 1971 study of the Intelligence Community, few had actively considered that interagency "coordination" as provided for in the Act involved much beyond systematic multi-agency consideration of substantive estimative or production issues. (The DDO's responsibilities for coordination of clandestine collection activities abroad represents a significant exception.) The Schlesinger study however reached a different conclusion. The underlying assumption of that study was that the US intelligence effort was too costly and that there was duplication of effort within the Community which the DCI had not caused to be eliminated. The Schlesinger study assumed that the coordination task involved resource issues as well as substantive issues, and it concluded that DCI's had failed at the coordination task because they had not exercised control over the resource allocation process.

In retrospect, it is probably fair to say that few DCI's had perceived that their coordination responsibilities included any serious concern about Community resource issues. In any event, the Schlesinger study concluded that an effective Community-wide resource review role could best be carried out by the DCI because he--by virtue of his control over the production process--was in the best position to determine collection requirements based on production needs. While not explicit, this conclusion acknowledged that OMB (the President) could not adequately carry out this resource review role, because it was too far removed from knowledge as to how collection programs could best be structured to meet substantive requirements developed in the Community. Also implicit in this conclusion was the belief that OMB's effectiveness in dealing with intelligence resource issues

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arising in Defense programs was reduced by the necessary but very cumbersome joint review process between Defense and OMB, which made difficult systematic attention to intelligence per se.

The original concept of coordination as set forth in the law then was effectively broadened by the November 1971 study to include, in addition to substantive production issues, resource allocation. And thus today, the DCI's coordination responsibility has come to mean two things: orderly consideration of the views of all informed observers on substantive intelligence issues, and the development of a DCI view on Intelligence Community resource issues.

We of course cannot predict with precision whether these concepts will come under debate in the coming months. To the extent that the issue of the quality of the Intelligence Community's product comes under discussion and--in the wake of our Vietnam experience, this question may arise--we can expect debate.

With respect to his responsibilities for coordination of substantive production, a key question which may be asked is to what extent should the DCI serve as the principal intelligence advisor to the President, arraying all information and judgment on the various substantive problems we face for consideration by policy-makers in a coordinated product?

In this connection, there is a basic alternative to the status quo which could come under consideration. This would involve dismantling the USIB structure as a creature of the DCI and recreating it in some form as a function of the National Security Council. A decision to do this could be combined with the alternative set forth below providing for a DCI located in the Executive Offices and responsible for overview of the Intelligence Community from a resource point of view, together with the establishment of a new head of the CIA. Such a step would imply a change in the concept of the NSC as a deliberative body making policy judgments on the basis of intelligence estimates supplied by others.

A formidable problem with such an approach would involve considering whether a decision to locate the Community's estimative functions closer to top policy-makers could be carried out without compromising the objectivity of this process. Another difficulty would be whether, politically, any President would wish this function to be lodged in the Executive Offices. Said another way, intelligence has classically been viewed as supporting policy making and such an approach could be viewed as

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moving the support for policy making closer to the President than the policy-makers themselves.

With respect to the DCI's resource coordination responsibilities, at least four basic alternatives could come under discussion in the coming months: abandoning the Schlesinger concept entirely and relying on the traditional processes to cope with this problem; continuing the status quo; enlarging the DCI's resource control and overall management responsibility within the Community; and reconstituting the DCI as an institution separate from CIA, probably located in the White House, with resource review and production responsibilities. Within each of these, there are a nearly limitless number of further possibilities, and of course, there are other basic alternatives as well. We have selected these four as representing the most likely.

The first alternative involves abandoning the Schlesinger concept that the DCI has a responsibility to the President (and Congress) to make recommendations on Community resource issues. Arguments for such a position might be based on a judgment that this function cannot be effectively carried out, or that it is unimportant in any event. This line of thought should be considered further. However, it is our belief that the Select Committees will conclude that the Community resource review function is important both to the President and to the Congress, and that it should therefore be continued or even strengthened.

The second alternative is the status quo, in which both Defense and CIA continue to operate programs while the DCI reviews all Community budgets and submits his views on the issues to the President. Final resource decisions are made by the President or OMB and by Congress and implemented by the organizations affected. The strengths of this approach include: minimal change in present responsibilities and procedures; providing an opportunity for the DCI to comment on significant issues without requiring him to be deeply involved in the implementation of decisions reached; and providing for heavy continued Defense Department involvement in programs clearly related to Defense's primary mission, national defense. Weaknesses include the fact that the DCI will probably always have considerable difficulty in developing the information needed to carry out the responsibility given him. Also, although the present arrangements were not developed with the idea that the DCI should control resource allocation within the Community, it does confer responsibility in this area without providing the authority to carry it out.

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The third basic alternative involves giving the DCI operational and resource control over all or a substantial portion of the National Intelligence Program through fundamental change in present statute. Probably, were such an alternative to be seriously addressed, it would be considered that the DCI should be given responsibility for direction of a larger portion, but not all, of the National Intelligence Program. Sensibly, this might involve CIA as now, NSA (not the entire CCP) or portions of it, and a larger portion of the overhead program than at present. Other programs would continue to be operated by Service or other Defense entities and could be included or "defined out" of the National Intelligence Program. The strengths of this approach would include unified management of a larger portion of the Intelligence Community and, ultimately, some efficiencies. Also, responsibility for success or failure in the Community would be clarified. Weaknesses include the political difficulties inherent in consolidating under DCI control a greatly expanded program, particularly when the Agency is under attack, as well as dilution of Defense Department control over programs long perceived by them as essential to their primary mission with possible future Defense development of independent programs to insure their control over assets seen as essential.

The final basic alternative would involve elevating the office of the DCI to the White House where it would function to make judgments about all Intelligence Community (however defined) resource requirements. This would involve downgrading CIA's present role in the Intelligence Community as "first among equals," with CIA to be reconstituted as only one of several Intelligence Community entities, responsible only for the operation of its collection and production programs. Under this formulation, OMB's present resource review role would logically be absorbed by the DCI. This approach would have few advantages, though it would enhance the DCI's ability to resolve bureaucratic conflicts within the Community by lifting him above the battle, and it would ease the management problems which arise within CIA from the DCI's present two-fold responsibilities. Weaknesses inherent in this formulation include the fact that the DCI, even if located in the White House, unless he also absorbed some important production responsibilities, would have little real "clout" on Community resource issues which would continue to be addressed within Defense and CIA essentially as now. Distance from problems and bureaucratic information-hiding could render this concept of the DCI an empty one.

To summarize: We have suggested that the concept of coordination as currently conceived involves both production and

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resource responsibilities. Alternatives to present approaches in both areas present some advantages; they also have fundamental disadvantages. We suspect, however, that these issues will come under discussion and that the Select Committees will advance ideas for solving them. Thus it is important for us to consider them further.

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No. 4--Congressional Relationships: What kind of congressional oversight can best meet our and the Congress' needs? What does this mean for our relationship with the Executive Branch? What kind of relationship ought to exist between the Legislative Branch and the Intelligence Community on substantive (production) matters?

In the past two years our relationships with Congress have expanded in scope and character. Just a short time ago we were reporting only to portions of two Appropriations Committees and to the two Armed Services Committees on some or all aspects of our program.

Last year, however, amendments to the Foreign Assistance Act required periodic reports by the DCI on covert action activities to members of the Foreign Affairs Committees. In the House this has meant that members of the House International Relations Committee are now briefed on our covert action programs, and in the Senate members of the Senate Foreign Relations Committee are informed about this aspect of our program. In addition, the establishment of the House and Senate Select Committees this year has added congressmen and senators to the list of those who are or will become knowledgeable about our program. Thus a substantially increased number of congressmen and senators are now in a position to find out a great deal about our program directly.

It is highly probable that the Select Committees will address the question of congressional oversight. We can anticipate attention to at least two basic alternatives to the status quo: revitalizing or strengthening existing oversight and appropriations arrangements or creating a quite new oversight arrangement.

Recommendations to revitalize or strengthen existing arrangements could involve changes in committee size or makeup, changes in committee staff capabilities, improved physical arrangements for the consideration of intelligence materials (vaulted reading rooms and the like), calls for more public or executive session hearings, additional formal reporting

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requirements levied on us (especially in areas of sensitivity), GAO or committee staff audits or other periodic investigations of our activities, and even an annual authorization process similar to that applied to some other Federal agencies such as the Energy Research and Development Administration (ERDA, formerly AEC), or elements of Defense Department programs.

Recommendations to develop a new oversight arrangement largely outside the present dual Armed Services Committee arrangement could take any number of forms, though it seems likely that attention would be focused on the model provided by the Joint Atomic Energy Committee. This Committee was established in statute in the early post-World War II era to oversee the Government's atomic energy program as carried out by AEC. Because the Committee's existence and rules are largely established in statute, it is not ordinarily subject to the rules of either the Senate or House--an arrangement which if applied to us could offer certain advantages. Its membership includes nine senators and nine congressmen, and it has a staff of about 17, including secretaries. The Committee seems to have had a good record at keeping secrets over the years, and there has never been any doubt as to the vigor with which they pursue their oversight responsibilities. The basic statute provides that ERDA will keep the Committee "fully and currently informed" on all developments. This has been interpreted over the years in different ways, but the Committee has consistently made it very clear that they mean what they say. This provision has allowed the Committee to involve itself in the Commission's day-to-day decision making in a manner which has sometimes been considered subversive of Executive Branch prerogatives. ERDA today, and the AEC before it, clearly has a much closer relationship to the Congress than do most executive departments and agencies. In thinking about applying the Joint Atomic Energy Committee model to oversight of the Intelligence Community, there are several factors which should be considered.

First, CIA is an instrument of foreign policy which is, under the constitution, largely a Presidential function, though Congress of course has many important responsibilities which bear on it. While ERDA carries out many programs related to national defense, it also has responsibility for many activities which impinge directly on the US private sector. With respect to both its national defense and civilian energy responsibilities, ERDA is accustomed to being considered as an instrumentality much more responsive to congressional requirements than are the departments and agencies which make up the foreign affairs establishment.

Second, both programs have national security aspects and thus face issues as to the public's right to knowledge about

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their programs, although this is also true of many other programs as well. In the case of ERDA, debates about secrecy have arisen both in connection with private sector interest in nuclear power applications and because of public concern about safety and environmental issues. With respect to the Intelligence Community, the secrecy question has generally arisen in the context of public debate over CIA activities, primarily covert action, not supported by segments of the public, although other aspects of intelligence programs have come under similar scrutiny.

Third, both CIA and ERDA have statutes which confer on their respective leaders a responsibility for protection of national security data. The DCI has "confidential funds," "sources and methods," and other specific authorities, and ERDA has its "restricted data" authority.

Fourth, the Joint Atomic Energy Committee is the basic congressional consumer of information and analysis generated by ERDA on nuclear policy issues. The Armed Services Committees are also consumers. Similarly, the consumers of analysis produced by CIA on a wide variety of issues include the Armed Services Committees and other committees with information needs we can help to satisfy.

Finally, the Joint Atomic Energy Committee is concerned with only one agency of Government--ERDA--although that organization does carry out programs, for example, weapons development activities, for the Department of Defense. However, a joint intelligence committee would logically be focused on oversight of the entire Intelligence Community, including CIA as well as Defense programs and possibly even including portions of the FBI's program. A serious question to be addressed is how a committee other than Armed Services could properly be held responsible for oversight of Defense intelligence programs planned and managed in the context of the total Defense program. Possibly joint representation on the Armed Services Committee and a Joint Intelligence Committee could ease this problem.

On balance, it seems clear that a joint oversight committee arrangement could work and that it could offer some advantages. It is of course by no means without problems. And considerable effort would need to be devoted to avoiding a situation in which the Committee could assume a disproportionate role in managing the Community's programs, if Presidential foreign affairs authorities are not to be seriously circumscribed.

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With respect to future congressional use of intelligence, we have always briefed certain congressional committees on substantive intelligence matters. This flow of information seems however to have expanded substantially in recent years, and as US international and domestic responsibilities are increasingly perceived as interrelated, we believe Congress' demand for intelligence information on a wide variety of topics will increase further. If a new law is to be written, it seems reasonable to assume that the Select Committees may address this question of intelligence support to the Congress and consider establishment of some procedural and other ground rules for the future. It is even possible that consideration will be given to requiring us to provide to Congress the same kind of policy support we provide to the Executive Branch. There are other recent congressional actions which could serve as a model for such consideration.

The issue of our relationship to Congress on substantive matters merits considerable further analysis. One of the principal ways an inherently "constituentless" agency like CIA can solidify congressional relationships is by providing a service. Thus State Department works very hard at handling the many problems of US citizens overseas brought to their attention by the Congress. CIA produces information and analysis on a wide variety of topics in which many congressional committees have an interest. Therefore, a significant effort to analyze Congress' information needs, trying to match up capabilities we have with those needs and examining whether there are areas in which we could offer more service to individual congressmen or committees would seem to merit attention.

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p.

SUBJECT: Studying the Issues -- Suggestions on Organization and Charter

1. Organization

All the various organizational possibilities, upon contemplation, are reduceable to a single outline. There must be one individual (called here a Study Director) directing, coordinating and providing guidance to the effort, and keeping the DCI and the Management Committee informed on developments. And responsibilities for the individual studies must be divided, with various individuals designated to work on each, if the job is to be done. So, we end up with a committee consisting of a director and four sub-committees. In order to get diversity of issues and broad experience without excessive size, we suggest that the study group be limited to nine individuals. Each sub-committee will have to include a principal drafter; the drafter will have the responsibility (and necessary authority) for managing the designated paper from beginning to end.

2. Charter

Study Director or an alternate from the group to attend Management Committee meetings for duration of assignment, and to report weekly to Management Committee on status of studies.

Participants empowered to call upon anyone in the Agency for assistance on a priority basis.

Study Director to hold at least weekly meetings of all participants.

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reorganization

Participants will act as individuals, not as representatives of organizational components; they will give this task priority over all others.

Each DD to provide principal drafter on each issue with a brief, informal paper reflecting his personal views within a week of designation of the drafter and to assign at least one or two other thoughtful individuals in his Directorate to do the same. These informal contributions should not be coordinated, should strive for Agency perspective, and are designed to give each drafter an initial appreciation of the various issues as perceived by the four Deputy Directors.

First drafts to Management Committee by 15 July; final drafts to Management Committee by 20 August and DCI by 2 September.

Papers should strive to provide several acceptable alternatives rather than single recommendations.

All fundamental disagreements to be noted in final paper, not papered over.

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11 June 1975

MEMORANDUM FOR THE RECORD

SUBJECT : Management Committee Meetings of 9 and 10 June 1975

PRESENT : Chairman (attended 9 June meeting only)

Vice Chairman

Secretary

Mr. Nelson

Mr. Proctor

Mr. Blake

Mr. Chamberlain

Mr. Warner

Mr. Iams

Mr. Taylor

Mr. Cary

Mr. Carver

Mr. Knoche

Mr. Evans

STAT

The following topic was discussed and decisions reached are recorded below:

1. Problems and Prospects for the CIA and Its Director (MCA-129).

The Chairman observed that Jim Taylor's paper contained some but not all of the things we should be thinking about. He then noted that he had advised the President that a Joint Committee on Intelligence may be the answer to congressional oversight per se. A lengthy discussion followed on some of the problems related to this formula. The Chairman then noted the need to focus on the differences between departmental and national intelligence and what this means to a DCI in terms of his responsibilities. After further discussion, the Chairman decided:

(a) A study group composed of senior officers from each Directorate should be established to review and recommend measures to be adopted that would cope with the adequacy of external and internal controls. (Note: Following the Chairman's departure, it was decided that Taylor will develop a paper on study group approaches and each Deputy Director will forward to the Executive Secretariat the names of candidates for the study group, one of which should probably be at the office head level. See amendment in paragraph 3 below.)

(b) The Inspector General, General Counsel, Comptroller, Legislative Counsel, and Audit Staff should in time examine the regulatory issuances and instructions pertaining to their respective roles and report on their adequacy in terms of function and staffing structure. The Charter and expectations of the Management Committee will also be examined as well as the merits of reconstituting the position of Executive Director.

2. In tasking, per paragraph (b) above, the Chairman emphasized that he wished to rely on the four line managers, the chain of command, and the corporate body of the Management Committee, after which a meaningful decision could be made on how much staff structure is appropriate.

3. In our meeting of 10 June, it was announced that Jim Taylor has been designated Study Director. His paper, "Studying the Issues -- Suggestions on Organization and Charter," was circulated. It was decided that prior to further consideration, he will develop terms of reference, after which study group membership and organization will be determined.

STAT

Carl E. Duckett
Secretary

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Remarks:

A splendid memo.
 Could we all review it
 & spend an hour or
 two discussing it one
 morning? —

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DCI/DCI

5/29/75

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| <p>Coming on the heels of your formal session this week with the Senate Select Committee, this paper may have an air of unreality about it. I continue to think though that after the most explosive issues have been dealt with, the Select Committee will increasingly focus on a series of questions which are at least as fundamental. Attached is an attempt to set these issues down in one place, and to suggest that we need to give much additional formal and systematic attention to them.</p> <p style="text-align: center;"><i>Jaek</i></p> | | | |
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| John D. Iams, Comptroller | | | 16 MAY 1975 |
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